



25 Sigourney Street  
Hartford CT 06106-5032

# STATE OF CONNECTICUT DEPARTMENT OF REVENUE SERVICES

# IP 2004(38)

## INFORMATIONAL PUBLICATION

### Attorney Occupational Tax and Client Security Fund Fee

**Purpose:** This Informational Publication answers frequently asked questions about the attorney occupational tax and the client security fund fee.

**Effective Date:** Calendar years beginning on or after January 1, 2004.

**Statutory Authority:** Conn. Gen. Stat. §§12-30, 51-81b, and 51-81d, as amended by 2003 Conn. Pub. Acts 6, §176 (June 30 Spec. Sess.).

#### Who Is Subject to the Attorney Occupational Tax?

Any person admitted as an attorney by the judges of the Connecticut Superior Court and who engaged in the practice of law in Connecticut during the preceding calendar year is subject to the tax.

**What Does "Admitted as an Attorney" Mean?** For the attorney occupational tax, being admitted as an attorney means you were sworn in as an attorney by a judge of the Connecticut Superior Court. This includes being:

- Admitted on motion;
- Temporarily permitted to practice law in Connecticut; **or**
- An attorney from another jurisdiction admitted *pro hac vice* by the Superior Court to appear in individual Connecticut state court cases.

**When Is Form 472 Due?** Form 472, *Attorney Occupational Tax Return*, is due on or before January 15, whether or not tax is owed. If January 15 falls on a Saturday, Sunday, or legal holiday the next business day is the due date. A return is considered timely-filed if the date shown by the U.S. Postal Service cancellation date, or the date recorded or marked by a designated private delivery service, is on or before the due date. See **Policy Statement 2002(4)**, *Designated Private Delivery Services and Designated Types of Services*, for more information.

**What if I Pay or File Late?** If you are subject to the tax and pay late, the late payment penalty is \$50. Interest accrues on late payments at the rate of 1% per month or fraction of a month from the due date. If you are exempt from the tax but file Form 472 late, a late filing penalty of \$50 may be imposed.

**Will Form 472 Be Mailed to Me?** Form 472 is mailed to all attorneys listed on the roll of attorneys maintained by the Superior Court. If you do not receive Form 472 by January 1, you should request one from the Department of Revenue Services (DRS). (See *Forms and Publications* on Page 4.) Failure to receive Form 472 does not relieve you from your obligation to file it by the due date.

**What Is the Amount of the Tax?** The amount of tax is \$450. No prorating of the tax is allowed. If you were admitted to practice for less than the entire calendar year, or were exempt from the tax for part of the year, the tax due is still \$450. For example, if a judge of the Superior Court swore you in on December 31 and you engaged in the practice of law in Connecticut on that day, you must pay the entire tax of \$450 for that year.

**What Does Being "Engaged in the Practice of Law" Mean?** For the attorney occupational tax, engaged in the practice of law means performing any act in Connecticut in your capacity as an attorney, whether or not you receive any remuneration for the act. This includes any act concerning a judicial or administrative proceeding in Connecticut.

For example, you are engaged in the practice of law if you enter an appearance or file any type of pleading or document in any:

- Connecticut court, including probate court;
- Federal, state, municipal or other administrative agency within Connecticut; **or**
- Federal district court in Connecticut, including bankruptcy court.

This is true even if the appearance, pleading, or document is mailed in from out of state and you do not personally enter the state.

You are engaged in the practice of law if you perform legal services in Connecticut free of charge for friends or relatives. You are engaged in the practice of law if you perform any act as a Commissioner of the Superior Court authorized by Conn. Gen. Stat. §51-85.

You are engaged in the practice of law if you are employed by an employer that is not a law firm, like an accounting firm or an insurance company, and you are employed as an attorney or being an attorney is a factor in your employment.

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**What About *Pro Bono* Work?** If you are exempt from the attorney occupational tax, performing *pro bono* legal services in Connecticut for no consideration (rather than for reduced consideration) does not change your exempt status.

For example, an attorney who is admitted to practice in New York and Connecticut, and who engaged in the practice of law exclusively in New York except for performing *pro bono* legal services in Connecticut, is not subject to the tax.

Providing free legal services to friends or relatives is not considered *pro bono* services.

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**Am I Exempt From the Tax?** You may be exempt from the tax if one of the following exemptions applies to you. Form 472 must be filed by the due date even if you claim exemption from payment of the tax.

**1. Your name was removed from the roll of attorneys maintained by the Clerk of the Superior Court for the Judicial District of Hartford.**

If your name was removed from the roll anytime during the calendar year, even on December 31, you are exempt from the tax for that year.

Attorneys who die are considered to have had their names removed from the roll as of the date of death and are exempt for the calendar year during which their death occurs.

Attorneys who are disbarred are considered removed from the roll and are exempt for the calendar year disbarment occurs. A disbarred attorney who is subsequently readmitted to practice law in Connecticut is subject to the tax for the year the readmission occurs.

Attorneys suspended from the practice of law for a definite period are **not** considered removed from the roll and are subject to the tax.

**2. You engaged in the practice of law, but not as an occupation, and received less than \$450 from the practice of law.**

The requirements of this exemption are conjunctive. You must have been engaged in the practice of law, but not as an occupation **and** the compensation for your legal services is less than \$450 for the calendar year.

Engaged in the practice of law, but not as an occupation, means you are primarily engaged in an occupation other than law and being an attorney is not a factor in your employment. For example, you may have been employed as a school teacher, physician, or law enforcement officer while admitted to practice law in Connecticut. If you were employed in an occupation other than law and you received less than \$450 from performing legal work, you qualify for the exemption.

If you engaged in the practice of law as an occupation, you do not qualify for this exemption even if you received less than \$450 during the calendar year from the practice of law.

**3. You were a judge, senior judge, or referee and did not otherwise engage in the practice of law.**

This exemption applies to all Connecticut state court judges including family support magistrates authorized under Conn. Gen. Stat. §46b-231; magistrates appointed under Conn. Gen. Stat. §51-193l *et seq.*, probate court judges, and federal judges who worked *exclusively* as judges or magistrates and did not otherwise engage in the practice of law during the calendar year.

**4. You were a Connecticut state employee employed as an attorney and did not otherwise engage in the practice of law.**

This exemption applies only if you were a Connecticut state employee employed as an attorney for the entire year (or for the entire portion of the year during which you were admitted to practice in Connecticut) and did not otherwise engage in the practice of law in Connecticut.

If you worked as a contractor or vendor to the State of Connecticut, such as a per diem advocate for the Juvenile Court or a special public defender, you were not a state employee for purposes of this exemption. Employees of the Probate Court Administrator are state employees for purposes of this exemption. (Employees of a Connecticut Probate Court, see exemption 7.)

If you were employed by the State of Connecticut, but not as an attorney, you do not qualify for this exemption.

**5. You were a federal government employee employed as an attorney and did not otherwise engage in the practice of law.**

This exemption applies only if you were a federal government employee employed as an attorney by the federal government for the entire calendar year (or for the entire portion of the year during which you were admitted to practice in Connecticut) and did not otherwise engage in the practice of law in Connecticut.

If you were employed by the federal government, but not as an attorney, you do not qualify for this exemption.

**6. You were an employee of a Connecticut political subdivision employed as an attorney and did not otherwise engage in the practice of law.**

This exemption applies only if you were a Connecticut political subdivision employee employed as an attorney for the entire year (or for the entire portion of the year during which you were admitted to practice in Connecticut) and did not otherwise engage in the practice of law in Connecticut.

If you worked as a contractor or vendor to a Connecticut political subdivision, you were not an employee of a Connecticut political subdivision for this exemption.

A Connecticut political subdivision is any Connecticut city or town, any tax district within a Connecticut city or town, or any district comprised of two or more Connecticut cities or towns.

**7. You were an employee of a Connecticut Probate Court employed as an attorney and did not otherwise engage in the practice of law.**

This exemption applies only if you were a Connecticut Probate Court employee employed as an attorney for the entire year (or for the entire portion of the year during which you were admitted to practice in Connecticut) and did not otherwise engage in the practice of law in Connecticut.

If you worked as a contractor or vendor to a Connecticut Probate Court, you were not an employee of a Connecticut Probate Court for purposes of this exemption.

**8. You engaged in the practice of law exclusively outside Connecticut.**

This exemption does not apply if you performed any act in Connecticut in your capacity as an attorney during the calendar year including any act concerning a judicial or administrative proceeding in Connecticut (federal, state, or municipal). This is true whether or not you received remuneration for the act or the act was connected with your employment as an attorney outside Connecticut.

Examples of these acts include, but are not limited to:

- Entering an appearance in a case in Connecticut court or Connecticut federal district court;
- Meeting with a client in Connecticut; or

- Witnessing a document or taking an acknowledgment as a Commissioner of the Superior Court in Connecticut.

**9. You did not work or were not employed as an attorney.**

This exemption applies only if you were not employed as an attorney and performed no act in Connecticut in your capacity as an attorney during the calendar year.

**10. You were on active duty with the United States Armed Forces for more than six months during the calendar year.**

You may claim this exemption even if you were otherwise engaged in the practice of law in Connecticut during the portion of the calendar year when you were not on active duty.

**11. You retired from the practice of law.**

This exemption applies if you were placed on retirement status at any time during the calendar year and filed a written notice of retirement with the Clerk of the Superior Court for the Judicial District of Hartford. For example, if you were placed on retirement status on December 31 you may claim the exemption for the entire calendar year if you notified the Clerk of the Superior Court for the Judicial District of Hartford of your retirement in writing. Complete **Form JD-CL-68, Attorney Retirement-Written Notice**, and return the original and two copies to the Clerk's Office. The form is effective the date it is filed with the Clerk's Office. To obtain Form JD-CL-68:

- Call the Clerk's Office at **860-548-2700, ext 3723**;
- Call the Office of the Client Security Fund Committee at **860-568-3450**; or
- Download it from the Judicial Department's web site at **[www.jud.state.ct.us](http://www.jud.state.ct.us)**.

You are not required to file a written notice of retirement when you retire from the practice of law; however, if you do not do so, you do not qualify for this exemption.

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**What if My Address Changes?** If your address changes, you should notify both DRS and the Statewide Grievance Committee. Notifying only DRS does not constitute compliance with Practice Book Section 2-26 or 2-27(d).

To change your address with DRS, fax a written notice of the change including your Connecticut Tax Registration Number (not your juris number or Social Security Number) as it appears on Form 472 to **860-297-4757**, or mail the notice to:

DRS Registration, Maintenance Unit  
PO Box 2937  
Hartford CT 06104-2937

To change your address with the Statewide Grievance Committee, call the Clerk's Office at **860-548-2700**,

**ext 3723** and ask for **Form JD-GC-10, Attorney Registration - Change of Information. Form JD-GC-9, Attorney Registration**, which is sent to you annually by the Statewide Grievance Committee, also contains space to indicate your change of address. You may also download these forms from the Judicial Department web site at **www.jud.state.ct.us**.

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**How Do I Obtain a Juris Number?** The Clerk of the Superior Court assigns and mails your juris number to you after you are sworn in. Your juris number also appears on your Form JD-GC-9. If you do not know your juris number, call the Clerk's Office at **860-548-2700, ext 3723**, or download it from the Judicial Department web site at **www.jud.state.ct.us**. Do not call DRS to obtain your juris number.

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**What Is the Client Security Fund?** The Client Security Fund was established by the judges of the Superior Court to promote public confidence in the judicial system and the integrity of the legal profession. The fund reimburses clients for losses resulting from dishonest conduct as defined in Practice Book Section 2-69, of attorneys practicing law in Connecticut. Each attorney admitted to practice law in Connecticut and each judge, judge trial referee, state referee, family support magistrate, family support referee, and workers compensation commissioner must pay an annual fee to finance the Client Security Fund (Practice Book Section 2-70).

The fee amount is established by the judges of the Superior Court based on the analysis and recommendation of the Client Security Fund Committee. For more information, contact the Office of the Client Security Fund Committee by telephone at **860-568-3450** or by e-mail at **Security.Fund@jud.state.ct.us**

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**If I Am Exempt From the Attorney Occupational Tax, Am I Exempt From the Client Security Fund Fee?** No. You may be exempt from the attorney occupational tax but not exempt from the client security fund fee. You are exempt from the client security fund fee if during the calendar year for which the fee is assessed you:

- Served more than six months on active duty in the Armed Forces of the United States;
- Retired;
- Resigned; or
- Were disbarred.

If during the calendar year for which the fee is assessed you do not engage in the practice of law as an occupation and receive less than \$450 in legal fees or other compensation for services involving the practice of law, you are partially exempt from the client security fund fee and are required to pay one-half of the fee amount. To claim the full or partial exemption, file **Form JD-GC-14E, Claim of Exemption**. You may download this form from the Judicial Department web site at **www.jud.state.ct.us**.

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**Effect on Other Documents: IP 2000(28), Attorney Occupational Tax and Client Security Fund Fee**, is modified and superseded and may not be relied upon on or after the date of issuance of this Informational Publication.

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**Effect of This Document:** An Informational Publication addresses frequently asked questions about a current position, policy, or practice, usually in a less technical question and answer format.

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**For Further Information:** Call DRS during business hours, Monday through Friday:

- **1-800-382-9463** (in-state), or
- **860-297-5962** (from anywhere)

**TTY, TDD, and Text Telephone users only** may transmit anytime by calling 860-297-4911.

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**Forms and Publications:** Forms and publications are available anytime by:

- **Internet:** Preview and download forms and publications from the DRS Web site at **www.ct.gov/DRS**
  - **DRS TAX-FAX:** Call **860-297-5698** from the handset attached to your fax machine and select from the menu. Only forms (not publications) are available through TAX-FAX.
  - **Telephone:** Call **860-297-4753** (from anywhere), or **1-800-382-9463** (in-state) and select **Option 2** from a touch-tone phone.
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